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SIPDIS

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SUBJECT: SUBJECT: NIGERIA: USTDA VISIT A SUCCESS STORY

1. Summary. United States Trade and Development Agency (TDA) Special Assistant for Projects Thomas Hardy completed agreements for feasibility studies for fertilizer and housing projects worth \$722,000, discussed programs with the Ministers of Solid Minerals and Agriculture, and briefed senior staff of the Nigerian Investment Promotion Council (NIPC) on TDA programs. Hardy also pursued follow up meetings on TDA potential programs with the Nigerian Communications Commission (NCC), Nigerian Railway Corporation (NRC), Federal Housing Authority (FHA), Ogun State, Nigerian Stock Exchange (NSE), and the Nigerian Airspace Management Agency (NAMA). End Summary.

SIGNING OF TWO GRANT AGREEMENTS

2. On August 21 a grant agreement of \$272,000 to conduct a feasibility study for a proposed Private Long-term Mortgage Corporation was signed by the U.S-Nigeria Development Institute and Ambassador Jeter on behalf of the TDA. The Ambassador also signed a grant agreement with Akwa-Ibom State Development Corporation for \$450,000 to conduct a feasibility study for a fertilizer complex using natural gas. The latter project, if feasible, would not only be beneficial to the agricultural sector but would be environmentally sound by helping to reduce the amount of gas flared into the atmosphere. The signing received positive coverage from national radio, television and in the printed press.

MEETING WITH MINISTER FOR SOLID MINERALS

3. On August 22, USTDA Thomas Hardy met the Minister for Solid Minerals Modupe Adelaja, Ministry Directors and heads of parastatals. The meeting was covered by major dailies and the national television network. Minister Adelaja outlined various areas where the TDA could help. The Minister proposed an airborne geo-physical survey, a feasibility study for a coal-fired power plant, and assistance in the development of tantalite, gold, coal, lead/zinc, and industrial minerals.

MEETING WITH THE NIGERIAN MINING CORPORATION

4. In a separate meeting with the Managing Director of the Nigerian Mining Corporation Taslim Jimoh sought TDA assistance in the development of tantalite. Jimoh confirmed that Nigeria had large deposits of the mineral and hoped equipment required for its development could be imported from the United States.

THE NCC

5. Hardy met with the senior staff of the NCC. The NCC proposed two follow-on projects to their spectrum analysis survey, specifically to help identify radio frequency squatters and to develop the existing right of way with the Nigerian Railway Corporation for laying optic fiber telecommunication networks.

FHA

16. Federal Housing Authority Managing Director Ibrahim Mustapha discussed a feasibility study for constructing housing for the foreign diplomatic community. The location of the project, financing and the eventual customer were not clearly defined by the end of the meeting.

OTHER ABUJA MEETINGS

17. Hardy met with Agriculture Minister Adamu Bello and discussed possible future collaboration, including meeting with a TDA team that was coming to Nigeria in September to identify potential agricultural projects. There was an informal meeting with the Chairman of the Nigerian Railway Corporation, as follow-up to a meeting in Lagos. Hardy also briefed the senior staff of the Nigerian Investment Promotion Council (NIPC) on TDA activities and renewed contacts with Chairman Kola Daisi.

Lagos Meetings

OGUN STATE

18. Hardy met the Commissioner of Finance for Ogun State to discuss the ongoing State Sugar Project. TDA already provided funding for the project but needed the Commissioner to sign a revised contract. The Commissioner anticipated the contract would be signed and sent to the American company conducting the feasibility study by the beginning of September. Hardy and the Commissioner also discussed potential technical assistance for a cement factory. Currently, TDA is waiting for feedback from an American consultant on the viability of the project. If the report is positive, TDA will fund a US company to provide technical assistance to develop the plant.

NIGERIAN RAILWAY CORPORATION (NRC)

19. Hardy met A.A. Abubakar, Managing Director of the NRC to discuss TDA funding for needed improvements and upgrades to the national rail system. The NRC is completing work on a 25-year vision statement. Hardy expressed optimism that TDA could fund feasibility studies for improvements outlined in the vision statement. Abubakar plans on following up with TDA during an upcoming trip to Washington.

NIGERIAN STOCK EXCHANGE (NSE)

10. Hardy met with Kene Okafor, Head of Research and Information Technology for the NSE to discuss funding for improvements in its electronic trading system. The NSE requested technical assistance for software upgrades and the creation of an off-site back-up system. Hardy suggested that the NSE send TDA a letter outlining their needs for funding consideration.

NIGERIAN AIRSPACE MANAGEMENT AGENCY (NAMA)

11. Hardy briefly met with officials from NAMA to discuss potential system upgrades but determined that assistance already provided by the US Department of Transportation was adequate to meet NAMA's planned upgrades.

BOEING INTERNATIONAL

12. Hardy met with Thomas Frisby, Regional Representative

for Boeing, to discuss potential projects in conjunction with Nigeria Airways. Frisby advised against TDA involvement at the moment, as Nigeria Airway,s future is uncertain.

COMMENT

13. Hardy,s reception was warm, as word of the success of previous TDA grants has spread. The Government of Nigeria (GON) is looking to the United States to help develop the solid minerals sector, continue with technical assistance for telecommunications regulation, and help development of large scale capital intensive projects. TDA grants (and the United States private sector participation in them) have proved to be efficient investments, which differ from other development projects in that they can provide results in a period of six to eighteen months. They have also generated significant, positive media attention publicly underscoring our commitment to be an active partner in Nigeria,s economic reform and development. As such, the grants have been very useful public diplomacy tools. End Comment.
JETER